

GOVERNMENT CODE

TITLE 9. PUBLIC SECURITIES

SUBTITLE I. SPECIFIC AUTHORITY FOR COUNTIES TO ISSUE SECURITIES

CHAPTER 1474. BONDS FOR COUNTY WATER IMPROVEMENTS

SUBCHAPTER A. PURPOSES FOR WHICH BONDS AND NOTES MAY BE ISSUED

Sec. 1474.001. AUTHORITY TO ISSUE BONDS FOR IRRIGATION PURPOSES. A county may issue bonds in an amount not to exceed one-fourth of the assessed value of the real property in the county for:

(1) constructing, purchasing, or maintaining a pool, lake, reservoir, dam, canal, or waterway for irrigation purposes or to aid in irrigation;

(2) enlarging an improvement described by Subdivision (1); or

(3) paying expenses incidental to the construction, purchase, maintenance, or enlargement.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.002. AUTHORITY TO ISSUE ADDITIONAL BONDS FOR IRRIGATION PURPOSES. (a) The commissioners court may order additional bonds to be issued in accordance with this chapter if:

(1) bonds have been authorized or issued under this chapter;

(2) the commissioners court considers it necessary to issue additional bonds to change the proposed improvement, to purchase or construct further improvements, to purchase additional property to implement the purposes of the project, or to best serve the interests of the county; and

(3) the additional bonds are approved at an election.

(b) The commissioners court shall enter its findings under Subsection (a) in the record of the court's proceedings.

(c) The commissioners court shall hold the election on the additional bonds in accordance with this chapter.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.003. AUTHORITY TO ISSUE BONDS OR NOTES FOR REPAIR PURPOSES. (a) If a county has constructed or purchased an improvement under this chapter that has been damaged and it is necessary to raise money to repair the damage, the county may issue bonds or notes under this chapter to raise the money.

(b) The term of a note issued under this chapter may not exceed 20 years.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.004. AUTHORITY TO ISSUE BONDS FOR OTHER WATER-RELATED IMPROVEMENTS. A county may issue bonds for the improvement of a river, creek, or stream to prevent overflow and for all necessary drainage purposes in connection with that purpose.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER B. ELECTION PROVISIONS

Sec. 1474.051. BONDS FOR MORE THAN ONE PURPOSE. Bonds proposed to be issued for any two or more of the purposes stated in this chapter shall be treated as being for one purpose and may be voted on as one proposition.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.052. PETITION FOR BOND ELECTION. If at least 50 voters who reside in and own taxable property in a county petition the commissioners court for an election on the question of issuing bonds under Section 1474.001 and either Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the commissioners court shall, at a regular or special session of the court, order an election to determine whether the county shall:

(1) issue bonds for the purposes stated in Section 1474.001; and

(2) impose a tax on the property in the county for the purpose of paying the interest on the bonds and providing a sinking fund for the redemption of the bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.053. REQUIREMENT TO STATE CHARACTERISTICS OF BONDS. (a) Except as provided by Subsection (b), the petition for the election, the election order, and the notice of the election must state:

- (1) the amount of bonds to be issued;
- (2) the rate of interest of the bonds;
- (3) the times at which interest on the bonds is payable; and
- (4) the date of maturity of the bonds.

(b) The election order and the notice of the election may provide that:

- (1) the bonds may bear interest at a rate to be set by the commissioners court;
- (2) any interest may be paid at times set by the commissioners court; and
- (3) the bonds may mature at the times set by the commissioners court.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.054. ELECTION FOR ISSUING BONDS. (a) The general election laws of this state govern the election except as provided by this section.

(b) A two-thirds vote of the qualified voters of the county voting in the election is necessary to approve the proposition.

(c) The commissioners court shall furnish the ballots for each polling place. The ballots shall be printed to permit voting for or against the proposition: "The issuance of bonds for (purpose of the bonds) and the imposition of a tax to pay for the bonds."

(d) In addition to the requirements provided by Chapter 3, Election Code, the election order shall:

- (1) designate one or more polling places in each voting precinct in the county where the election will be held; and
- (2) name a presiding judge, a judge, and two clerks for each polling place or, if the court considers it necessary, name more election officers for any polling place.

(e) A copy of the election order signed by the county judge serves as proper notice of the election.

(f) In addition to the notice required by Section 4.003(c), Election Code, a copy of the election order shall be:

(1) posted at each polling place and at the courthouse door before the 20th day before the date of the election; and

(2) published in a newspaper published in the county for three consecutive weeks before the date of the election, with the first publication before the 21st day before the date of the election.

(g) After preparing the returns of the election, the presiding judge at each polling place shall deliver the returns to the county clerk, who shall keep them in a safe place and deliver them to the commissioners court. After canvassing the returns, the commissioners court shall declare the result of the election by an order entered in the minutes of the court.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.055. ORDER ISSUING BONDS AND IMPOSING TAX. (a) If the issuance of the bonds and imposition of the tax are approved at the election, the commissioners court by order entered at a regular term of the court shall:

(1) direct the issuance of the bonds;

(2) provide for the annual imposition of a tax sufficient to pay the current interest on the bonds and to pay the principal of the bonds at maturity; and

(3) state the place or places at which the interest is payable.

(b) The commissioners court shall annually impose a tax sufficient to pay the current interest on the bonds and to pay the principal of the bonds at maturity.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.056. ELECTION FOR ISSUING NOTES: ORDER AND NOTICE. (a) Before notes are issued under Section 1474.003, the commissioners court shall order and give notice of an election in the manner required for an election on a bond issue.

(b) In addition to the requirements provided by Chapters 3 and 4, Election Code, the order and notice shall state:

- (1) the purpose for which the notes are to be issued;
- (2) the duration of the notes;
- (3) the rate of interest; and
- (4) the polling places for the election.

(c) The order and notice may state the manner in which the notes mature.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.057. ELECTION FOR ISSUING NOTES: BALLOT AND RETURNS. (a) At an election to issue notes, the ballot shall be printed to permit voting for or against the proposition: "The issuance of notes for (purpose of the notes)."

(b) The commissioners court shall hold the election in the manner provided by this chapter for a bond election.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.058. APPROVAL AND ISSUANCE OF NOTES. (a) If at least two-thirds of the votes received at the election favor issuing the notes, the commissioners court may issue and sell the notes for the benefit of the county and for the purposes authorized.

(b) The commissioners court by order shall:

(1) direct the issuance of the notes; and

(2) provide for the annual imposition of a tax sufficient to pay the current interest and provide a sinking fund for the payment of the principal of the notes at maturity.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER C. LIMITATIONS AND PROCEDURES

Sec. 1474.101. LIMIT ON DEBT. (a) If a county contains one or more districts organized under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the ratio of the debt of a district to the assessed value of real property in the district, expressed as a percentage, together with the ratio of the proposed county debt to the assessed value of real property in the county, expressed as a percentage, may not exceed one-fourth of the assessed value of real property in the county or in the district.

(b) The assessed value of real property in a county or in a district is computed according to the most recent appraisal roll of the county or district, as appropriate.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.102. COURT ACTION TO DETERMINE VALIDITY OF BONDS.

(a) A county that proposes to issue bonds under this chapter shall bring an action in a district court in the county or in a district court in Travis County to determine the validity of the bonds.

(b) The action shall be brought in the manner provided by Subchapter L, Chapter 55, Water Code, for the validation of water improvement district bonds. Each provision of that subchapter that is applicable to the action, including provisions applicable to the duties of the attorney general and comptroller, the judgment to be rendered, the effect of the judgment, and other matters connected to the action, applies to the validation of the county bonds.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.103. FORM OF BONDS AND NOTES; SIGNATURES; REGISTRATION BY COUNTY CLERK. (a) Each bond or note issued under this chapter shall be issued in the name of the county.

(b) A bond shall be designated "_____ County Water Improvement Bond." A note shall be designated "_____ County Water Improvement Note."

(c) Each bond or note issued under this chapter must be:

- (1) signed by the county judge;
- (2) countersigned by the county clerk; and
- (3) registered by the county treasurer.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.104. EXCHANGING BONDS FOR PROPERTY OR WORK. The commissioners court may exchange bonds issued under this chapter:

- (1) for property; or
- (2) in payment of the contract price for work to be done in the construction of the improvements.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.105. SALE OR EXCHANGE OF BONDS AND NOTES; DELIVERY OF PROCEEDS. (a) The commissioners court shall sell or exchange the bonds or notes issued under this chapter on the best terms.

(b) When the bonds or notes are sold, the proceeds shall immediately be delivered to the county treasurer.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.106. IMPOSITION OF TAX; SEPARATE FUND. (a) A tax imposed under Section 1474.055(b) shall be imposed as other county taxes.

(b) The proceeds of the tax are a separate fund that may not be used for a purpose other than a purpose specified by Section 1474.055(b).

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER D. RELATED IRRIGATION POWERS OF COUNTIES

Sec. 1474.151. COUNTY POWERS. A county acting under this chapter may:

(1) own or construct a reservoir, dam, levee, well, canal, or other improvement;

(2) acquire a necessary right-of-way or other land by purchase or by condemnation in the manner provided by Chapter 21, Property Code; or

(3) perform any other work or construct or acquire any other improvement required for the proper and efficient irrigation of land in the county.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1474.152. CONTROL OF COUNTY IRRIGATION SYSTEM. (a) The commissioners court shall control and manage the affairs and operation of the county's irrigation system to the same extent and in the manner as the board of directors of a water improvement district controls and manages a water improvement district under Chapter 49, Water Code.

(b) The provisions of Chapter 49, Water Code, that apply to

the control and management of the affairs and operation of a water improvement district also apply to the control and management of the affairs and operation of the county's irrigation system.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.